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REPORT ON UNFPA REGIONALIZATION: TOWARDS A STRONGER FIELD-CENTRED AND RESULTS-ORIENTED ORGANIZATION

Report of the Executive Director

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I. SUMMARY

1. This report presents the UNFPA proposal to move the geographical divisions from UNFPA headquarters in New York to their respective regions; to expand the functions of existing UNFPA country technical services teams in order to establish regional or subregional offices, as appropriate; and to strengthen existing area offices. The objective is to ensure a more strategic, timely, integrated, efficient and flexible response to the needs of countries and UNFPA country offices. This is deemed necessary in response to the changing aid environment, the new emphasis on national ownership of programmes, and the ongoing reform decisions as articulated in General Assembly resolution 59/250 on the triennial comprehensive policy review of operational activities for development of the United Nations system and the Paris Declaration on Aid Effectiveness.

2. This shift of operational and managerial support to the regions makes use of existing organizational units, reporting lines and managerial authority, and thus does not create additional layers of bureaucracy or reporting. Such a move would complement United Nations agencies in the same location and create opportunities for cooperation, thus ensuring streamlined relationships without duplicating any of the existing functions. Together, United Nations agencies in the same location will be able to provide integrated support to the development efforts of countries.

3. The aim is to make UNFPA a more strategic and effective development partner at country and regional levels, providing strong support to countries in national dialogues. The ultimate goal is to strengthen the capacity of programme countries to implement the Programme of Action of the International Conference on Population and Development (ICPD) within the context of their national development frameworks and thus ensure a timely and operational linkage to the Millennium Development Goals, specifically those related to improving maternal health, preventing HIV, empowering women, ensuring the education of girls and eradicating poverty.

4. The immediate objectives of regionalization are as follows: (a) to strengthen the capacity of UNFPA country offices to provide integrated technical, programmatic and management support to programme countries for high-quality programme delivery; (b) to ensure that ownership of the ICPD agenda is achieved by effectively integrating it into national and regional development frameworks; (c) to build the capacity of institutions at national, subregional and regional levels to provide technical support for national programmes; (d) to contribute more effectively to integrated United Nations inter-agency planning and implementation processes at country and regional levels; and (e) to reduce transaction costs at country and regional levels through shared services and pooled resources, wherever possible.

5. The geographical divisions would be called regional offices. They would be relocated to Cairo, Egypt; Addis Ababa, Ethiopia; Panama City, Panama; and Bangkok, Thailand. While the functions of the regional offices may differ slightly depending on the configuration of each region, all will play a leadership role in strategically positioning the ICPD agenda at country and regional levels. The regional offices will ensure that the strategic priorities of the countries and the region are addressed, and will also provide technical, programmatic and managerial expertise to UNFPA country offices.

6. Building on the existing UNFPA subregional technical support field presence, UNFPA seeks to strengthen its country technical services teams by also including programme support, to ensure integrated support to countries and to UNFPA country offices. To ensure efficiency, common services and single representation, the functions of the country technical services teams would be joined to country offices to form subregional support offices in Kathmandu, Nepal;

Dakar, Senegal, and Pretoria, South Africa. In Suva, Fiji, and Kingston, Jamaica, UNFPA already operates through subregional offices that cover operations in several countries. The subregional support offices will ensure that the programmatic and technical needs of the subregions are adequately addressed within the context of the ICPD and the achievement of the Millennium Development Goals. The configuration of each office will differ slightly.

7. UNFPA will strengthen the technical capacity of the area offices in the Arab States, Eastern Europe and Central Asian regions through the addition of technical experts in priority programme areas. It will also place liaison officers in subregional intergovernmental bodies, such as in the regional economic communities in Africa, the South Asian Association for Regional Cooperation and others, to ensure complementarity and mutual support.

8. The regionalization is part of a set of initiatives undertaken by UNFPA to strengthen its effectiveness in supporting its country offices and in building national capacity. Other initiatives include: (a) adding capacity directly to country offices by creating new national and international posts in selected priority offices; (b) strengthening area offices; and (c) redefining the functions and structure of UNFPA technical and programmatic assistance within the framework of the regionalization process.

9. In assessing how best to respond to the changing aid environment, UNFPA considered various options to maximize the effectiveness of its assistance. These included, among others, increasing the number of staff in country offices; increasing the staff and expanding the range of expertise in UNFPA country technical services teams; and regionalization. Only regionalization offered the combined advantages of relative cost-effectiveness, by pooling resources at the regional level, and the ability to provide integrated technical and programmatic support to countries and to UNFPA country offices, under the direction of a single director. This eliminates the possibility of double reporting lines and fragmented guidance from headquarters. This report enumerates a number of additional advantages of regionalization.

10. The report highlights the expected benefits of a reinvigorated UNFPA presence at regional and subregional levels. These benefits include a strengthened capacity to participate more effectively in policy discussions and national development processes; an enhanced ability to take greater advantage of regional alliances, networks and partnerships; a more active role in promoting and supporting South-South cooperation; and improved inter-agency collaboration. While preparing the proposal, UNFPA ensured that regionalization would result in coherence with other United Nations agencies and that no duplication in functions would occur. UNFPA also sought to streamline its mandate with other partner agencies at regional and country levels.

11. The final two sections of the report present the details of the proposed regionalization model and its implementation, including an overview of the regionalized structure, a proposed time line of scheduled activities, and the staffing and financial implications of regionalization.

II. THE CASE FOR REGIONALIZATION

A. The context of regionalization

12. The need to make the United Nations a more effective multilateral institution has been on the agenda of the international community for more than a decade. General Assembly resolution 59/250 on the triennial comprehensive policy review of operational activities for development of the United Nations system, adopted in December 2004, further strengthened this objective, providing a comprehensive framework for the United Nations system to address the issue of

effectiveness. The Paris Declaration on Aid Effectiveness, which builds on the framework of the triennial comprehensive policy review, spells out the axes along which the path for increased effectiveness should develop.

13. General Assembly resolution 59/250 contains four requests concerning regional alignment and the importance of the regional and subregional dimensions of development cooperation. Paragraph 36 requests the funds, programmes and specialized agencies of the United Nations system to examine ways to further simplify their rules and procedures and, in this context, to accord the issue of simplification and harmonization high priority and to take concrete steps in several areas, including alignment of the regional technical support structures and regional bureaux at headquarters level, as well as their regional coverage. Paragraph 76 calls on the organizations of the United Nations development system, including the regional commissions, to intensify their cooperation and adopt more collaborative approaches to support country-level development initiatives through closer collaboration within the resident coordinator system and by improving mechanisms to access the technical capacities of the United Nations system at regional and subregional levels. Paragraph 77 calls on the governing bodies of these organizations to give greater and more systematic consideration to the regional and subregional dimensions of development cooperation and to promote measures for more intensive inter-agency collaboration at these levels. Paragraph 78 encourages United Nations agencies of the United Nations development system to seek to maximize the opportunity to address development challenges on a regional and subregional basis.

14. The rapidly emerging development architecture and the changing aid environment, within which UNFPA works, along with other United Nations organizations, bring a new set of opportunities as well as challenges for the organization and, more importantly, for its mandate. The principle underpinning the new aid environment is one of greater emphasis on national ownership, including the use of national systems, accountability, good governance, harmonization and management for results. These principles were clearly articulated by both developed and developing countries at the High-level Forum on Joint Progress toward Enhanced Aid Effectiveness (Paris, 28 February - 2 March 2005). They are also among the main issues addressed in *Delivering as One*, the report of the High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment, on which action is pending.

15. The Paris Declaration on Aid Effectiveness and General Assembly resolution 59/250 were the main motivation for UNFPA to review its operations and identify how it could improve its work in support of countries and their national programmes. Both the declaration and the resolution include the commitment to work together to ensure that countries develop the capacity to own and drive their development processes. Both value a unified United Nations presence that 'delivers as one' but draws on the technical expertise and best practices of many, thereby optimizing existing resources. And both recognize the critical importance of enhancing coherence of the United Nations development system at regional and subregional levels. These shared principles are the essence of and driving force behind the UNFPA regionalization initiative.

B. Regionalization within the UNFPA context

16. Regionalization is not new to UNFPA. Nor is it as sudden a change as it may appear. The proposed UNFPA regionalization is the culmination of an incremental process that began nearly two decades ago with the establishment of the technical support system of UNFPA country technical services teams, which was designed to bring technical assistance closer to programme countries.

17. In many ways, the UNFPA technical support system, established in 1992, was a precursor of efforts to access the capacities of the United Nations system at regional and subregional levels to support country-level development initiatives, as called for in paragraph 76 of General Assembly resolution 59/250. The original UNFPA technical support system was an intricate network of inter-agency specialists at specialized agencies and the regional commissions, and technical advisers assigned to country technical services teams located in various regions and subregions – all of which UNFPA headquarters coordinated. It was ambitious, complex and ahead of its time, but it recognized the importance of drawing on the expertise within the United Nations development system and working together through regional, subregional and national networks to support country programmes, thus ensuring complementarity and avoiding duplication.

18. Regionalization at UNFPA gained momentum in 2001 when UNFPA launched a comprehensive transition process specially geared towards strengthening its field operations. The transition had a profound impact on the way UNFPA works – on its work processes, organizational structure, human resources and organizational culture. UNFPA adopted a new strategic direction that placed field activities at the centre of its operations. UNFPA conducted a field needs assessment to identify how it could more effectively and strategically support field operations. It carried out a country-office typology exercise to match staff skill sets to office size in order to optimize programme implementation and office accountability. It revised its technical advisory programme (the successor of the technical support system), strengthened its management functions, and introduced new human-resources and learning strategies to provide staff with the skills they needed to adapt to the changing development architecture.

19. The focus of these efforts was to strengthen UNFPA presence in the field and the technical and programme assistance it provides. UNFPA kept the Executive Board abreast of its efforts, and the Board provided guidance and support to UNFPA.

20. The re-examination of the UNFPA technical advisory programme was a crucial element in the move towards a field-focused organization. It found that while the programme had been able to respond to regional and country technical needs, two major structural limitations constrained its effectiveness. First, the capacity of the technical advisory programme was not sufficient, in terms of the numbers of advisers or in its range of expertise, to respond to increasingly diverse demands for assistance. Second, the design of the technical support system relied on three complementary elements, all of which were closely related but not fully integrated: programme formulation; monitoring and evaluation functions; and technical support functions.

21. The regionalized structure will enable UNFPA to build on the functional, operational and structural adjustments made in its technical support system over the years, which the Executive Board approved at its various sessions, and to develop a technical support programme that will enable UNFPA to play a more strategic role in policy dialogue and better integrate the ICPD agenda into national, regional and global development frameworks.

22. UNFPA proposes to deliver its next cycle of technical support (2008-2011) through a system that integrates local, regional and global levels and is organized around four areas: (a) the identification, synthesis and dissemination of state-of-the-art technical knowledge and its translation into policy and programme guidance and support for UNFPA work at global, regional and country levels; (b) the development of standards and norms to assure programme quality as well as monitoring and evaluation instruments to guide their implementation; (c) national capacity development in the areas of UNFPA competence in line with the United Nations Development Assistance Framework, poverty reduction strategies and sector-wide approaches; and (d) the

promotion of networks of regional and subregional institutions and their active involvement in providing technical support to countries.

23. In the new concept, developing the capacity of national, subregional and regional institutions to respond to local needs will be a top priority. In countries where expertise does not exist or where demand exceeds the capacity of national institutions, subregional and regional sources, including the technical components of the regional offices, will be utilized, with the aim of increasing the ability of countries, subregions and regions themselves to provide the necessary support. UNFPA will identify additional sources at global and interregional levels if the identified needs so require.

24. The proposed UNFPA technical support system will foster a learning environment through a continuous flow of communication and transfer of knowledge from the field to regional and global levels, and from the global level to regional and national levels. This will enable the various levels of the system to adjust and harmonize their strategies and make the best use of the tools and instruments within the system. The new regional structure, which incorporates programme and technical advisers within a multidisciplinary approach, will provide a direct link between programmatic and technical functions, which, in turn, will result in greater coherence in supporting country offices. It will also enhance the capacity of the system for evaluation and knowledge sharing, leading to improved country programme performance.

25. As the development agenda changes, it is essential that the work of UNFPA continue to evolve and adjust to emerging technical and programmatic requirements. The regional offices will be in an ideal position to engage with regional think-tanks to scan and identify socio-economic issues that must be addressed nationally, regionally and within the organization. This information and analysis will be important in adapting policy and/or programme support to meet evolving needs at various levels of the organization or in partner institutions.

26. Regionalization and the review of the technical assistance framework will support the achievement of the UNFPA mandate and the ICPD objectives. The medium-term strategic plan (2008 -2011) integrates these initiatives into a comprehensive framework, ensuring clear attribution of roles undertaken by UNFPA and a basis on which UNFPA is held accountable for the use of its resources.

C. The decision to regionalize

27. In assessing how best to respond to General Assembly resolution 59/250 and to the changing aid environment, UNFPA considered various options to maximize the effectiveness of its assistance, including increasing the number of international and national staff in country offices; increasing the number of country technical services team advisers and expanding the range of expertise in the country technical services teams; increasing the staff of country offices *and* strengthening the country technical services teams; and regionalization.

28. UNFPA assessed each option on the basis of five criteria: (a) the extent to which the option integrates programmatic and technical support; (b) the integration of such programmatic and technical support under the direction of a single director; (c) the extent to which the option has the capacity to integrate national, regional and subregional institutions into a network of knowledge; (d) the extent to which the option provides the critical mass and skill and knowledge mix needed to provide effective technical assistance; and (e) cost-effectiveness.

29. Only regionalization meets all five criteria. The first option – increasing the staff in country offices – meets none of the criteria. UNFPA does not have the financial resources to staff its country offices sufficiently to achieve the critical mass and skill and knowledge mix needed to integrate programmatic and technical support and provide effective technical assistance. Option two – strengthening the country technical services teams – provides the critical mass and skill and knowledge mix but does not integrate programmatic and technical support or place these functions under a single director. Option three is very costly and does not meet all the criteria.

30. Regionalization has several additional advantages. It will enable UNFPA regional offices to expand technical support networks through regional, subregional and national institutions and strengthen the capacity of these institutions to provide direct support to country offices and country programmes. It will also enable the regional offices to engage the Executive Committee agencies of the United Nations Development Group (UNDG), the Joint United Nations Programme on HIV/AIDS and relevant specialized agencies (such as the World Health Organization (WHO), the International Labour Organization (ILO), the Food and Agricultural Organization of the United Nations, and the United Nations Educational, Scientific and Cultural Organization) more effectively at the regional level and to contribute to and draw from regional technical expertise in thematic areas. This will, in turn, enhance the ability of UNFPA to mainstream the ICPD agenda at the regional level and place country issues in a regional perspective.

31. It is in the light of these considerations that in June 2005, the UNFPA Executive Committee took the decision, in principle, to regionalize UNFPA, pending the decision of the Executive Board.

D. Expected benefits from regionalization

32. While UNFPA recognizes multiple benefits in regionalizing, three main benefits stand out:

(a) A strengthened capacity of UNFPA country offices to participate as essential partners in policy discussions and national development processes;

(b) A reinvigorated regional presence to sharpen alliances with regional intergovernmental bodies as well as strengthen efforts to enhance consistency, coherence and complementarity among United Nations entities at the regional level;

(c) A more active and systematic role in promoting and supporting South-South cooperation, especially as it relates to strengthening the technical and normative roles of regional and subregional institutions, systems and processes to support countries.

Regional and country linkages

33. The importance of regional and subregional institutions as partners in development and in the social and economic integration of countries in a specific region is growing. Enhanced collaboration with intergovernmental institutions is key to linking ICPD to the agenda of these institutions, especially within the context of integrating the ICPD mandate into broader development issues. This will help to inform and position ICPD in national agendas and plans, as they relate to national priorities and the efforts of countries to achieve the Millennium Development Goals. This is nowhere more evident than in the case of Africa with the adoption of the New Partnership for Africa's Development and other regional frameworks, such as the African

Union framework on sexual and reproductive health and rights and the African Union framework on the African family, all of which have a direct impact on national development frameworks.

34. It is essential to forge strategic partnerships not only with intergovernmental institutions, but also with regional and subregional technical institutions that deliver technical assistance to countries. By strengthening collaboration with the regional economic commissions and other organizations and entities (for example, centres for demographic studies, training centres and public health institutes), UNFPA will be able to promote the establishment and/or expansion of networks of knowledge composed of relevant regional, subregional and national institutions and build the capacity of these institutions to be conversant with ICPD and UNFPA processes and tools, in order to provide high-quality, substantive support to countries to implement their programmes.

35. By strengthening its presence at regional and subregional levels, UNFPA will, in addition to the benefits already mentioned, be able to intensify the sharing of experiences among countries, including through South-South collaboration, and to link regional and subregional realities to country realities through the timely identification of common emerging issues, in close partnership with local stakeholders.

36. An active and engaged UNFPA presence at the regional level would also ensure a more strategic, timely, efficient and flexible response to the needs of countries and UNFPA country offices.

Global, regional and country linkages

37. Improving the role currently performed by the existing geographical divisions, UNFPA regional offices would serve as important bridges between headquarters and country offices, thus providing the possibility for national issues to inform regional and global levels, and bringing issues related to the UNFPA mandate from the global level to regional and national levels. This would contribute to a more coherent and effective organization with enhanced relevance in country-level interventions. The regional offices would provide headquarters with the information and analysis it requires to ensure that issues and needs from the field: (a) receive the attention they deserve in discussions on UNFPA global and regional strategic directions and priorities; (b) are translated into more relevant and timely state-of-the-art research, policies, guidelines, tools and technical assistance; and (c) are reflected in simplified procedures from headquarters.

38. Regional offices would also facilitate, both within the region and between regions, the exchange of experiences, expertise and knowledge to multiply the benefits of the accumulated know-how of the organization and to promote greater support for the ICPD. The relocation of the geographical divisions from UNFPA headquarters in New York to their respective regions will make use of existing organizational units, reporting lines and managerial authority, and will not create additional layers of bureaucracy or reporting.

Technical and programme integration

39. Regionalization would enhance support to country offices by integrating key programmatic, technical and operational functions at regional and headquarters levels. This would improve the current UNFPA structure whereby country offices receive technical support from the regional level and programmatic and management support from headquarters. The clearer operational linkages between programmatic and technical functions, under the direction of a single director, combined with the physical closeness of programme specialists and technical experts to

the country offices, should enhance significantly the capacity of the country offices to deliver high-quality programmes and participate in national dialogues and processes.

Improved inter-agency collaboration

40. UNFPA regionalization would contribute to enhanced regional inter-agency coherence within the United Nations system, in support of capacity development at country, subregional and regional levels. Better alignment, coordination and possible consolidation with other United Nations agencies at the regional level on technical and programmatic support to countries will create:

(a) Better synergies between the mandates of different agencies for more effective inter-agency processes;

(b) Coordinated United Nations regional planning and joint programming;

(c) A more coherent United Nations planning process at the country level;

(d) Common services with other agencies at the regional level, wherever possible;

(e) A strengthened link with the regional economic commissions to ensure greater coherence between the normative and operational work undertaken by the regional commissions and UNFPA, thereby ensuring synergies and avoiding duplication;

(f) Increased utilization of national and regional institutions, in close coordination with other United Nations agencies, to deliver integrated technical and programmatic support to countries.

41. As agreed within the UNDG Executive Committee, if co-location is not feasible, the regional directors' teams will decide on work modalities and terms of reference to fulfil regional responsibilities in providing technical assistance, assessing resident coordinators and United Nations country teams, and making collective decisions to establish joint or unified offices, wherever possible.

III. THE UNFPA APPROACH TO REGIONALIZATION

42. To ensure that the proposed regionalization model would achieve the expected results, UNFPA took the following steps:

(a) Conducted a functional analysis to review current functions and processes, identify major gaps and define the organizational level (country, regional or headquarters) where these functions should be performed in the new organizational structure;

(b) Defined the new organizational structure to ensure that the functions defined by the functional analysis could be effectively carried out and that the various components of the organization relate to each other through reporting lines and appropriate mechanisms for decision-making and accountability, while preserving the unity of the organization;

(c) Conducted a high-level review of main organizational processes in order to understand the flow of activities of the regionalized structure and clarify the tasks to be performed;

(d) Defined the terms of reference for each organizational unit in order to eliminate existing gaps or inconsistencies between units and guide the preparation of job descriptions for posts in each unit;

(e) Conducted a cost-benefit analysis to capture the financial and non-financial implications of the proposed regionalization model and to provide the Executive Board with the information it needs to take an informed decision. As part of this analysis, UNFPA developed a financial model to estimate the one-time and recurrent costs of regionalization. In addition, to capture the non-financial or intangible aspects of regionalization, UNFPA conducted a survey that explored the perceived benefits and key areas of risk associated with the initiative. The results of the survey contributed to the development of an actionable risk-mitigation plan to manage the risks associated with both the outcome and process of regionalization.

43. Throughout this course of action, UNFPA adopted a consultative process to ensure that inputs from all relevant internal and external stakeholders were collected and taken into account. This included regular consultations with senior management and staff, including field staff, through such mechanisms as retreats, surveys, meetings and workshops. UNFPA also established an intranet site to provide updated information on the regionalization process. Staff provided their inputs through the intranet site or directly to members of the regionalization team. UNFPA also consulted regularly the UNDP/UNFPA/UNOPS Staff Council, including through the Staff Council representatives who served on working groups in the regionalization project.

44. At the same time, UNFPA consulted with other United Nations organizations that had undergone a regionalization exercise to ensure that their inputs were taken into account. These included, among others, the United Nations Children's Fund, the United Nations World Food Programme, WHO and ILO, and involved reviews of available documentation of their experiences, interviews and on-site visits. The Associate Administrator and Deputy Executive Directors of the UNDG Executive Committee agencies have also discussed the issues of co-location and regional alignment.

45. Finally, UNFPA maintained a continuous dialogue with the Executive Board throughout this process. The Executive Director provided regular updates in her statements to the Board on UNFPA intentions, plans and progress concerning regionalization. UNFPA organized six informal consultations with members of the Board, in addition to several bilateral consultations.

IV. PROPOSED REGIONALIZATION MODEL FOR UNFPA

46. The proposed regionalization model for UNFPA would be composed of four regional offices, five subregional support offices and five areas offices, as follows:

(a) Regional offices: Cairo, Egypt; Addis Ababa, Ethiopia; Panama City, Panama; and Bangkok, Thailand.

(b) Subregional support offices: Suva, Fiji; Kingston, Jamaica; Kathmandu, Nepal; Dakar, Senegal; and Pretoria, South Africa.

(c) Area offices: Tirana, Albania; Alma Ata, Kazakhstan; Muscat, Oman; Bucharest, Romania; and Ankara, Turkey.

47. In choosing the locations for its regional and subregional support offices, UNFPA considered the regional alignment among United Nations agencies, including the regional

commissions. While co-locating UNFPA offices with the offices of other United Nations funds and programmes would facilitate policy dialogue and operational activities, the proximity of UNFPA offices to the regional economic commissions would – without duplicating the normative work of the regional commissions – provide opportunities to link the normative work of the regional commissions with UNFPA operational activities for development, and to pay greater and more systematic attention to the regional dimension of development cooperation. With its proposed regionalized structure, UNFPA will be well positioned to capture the benefits and synergies of regional alignment and contribute to more effective inter-agency processes, coordinated United Nations regional planning and implementation, a more harmonized United Nations planning process at the country level and the reduction of transaction costs through shared services.

Regional offices

48. The purpose of the regional offices is to strengthen the capacity of country offices to support countries strategically in integrating the ICPD agenda within the context of their national development frameworks and processes and to strengthen the positioning of ICPD at the regional level. While the functions of the regional offices differ somewhat depending on the needs of each region, all of the regional offices will play a leadership role in managing and providing integrated technical, programmatic and managerial expertise to country offices. They would also be responsible for oversight, follow-up to audits, monitoring and evaluation, and other strategic functions, as well as following up with headquarters on issues regarding human resources, finance and resource mobilization, as the present geographical divisions do. Overall management and human resources functions, however, will remain at headquarters.

49. A key role of the regional offices will be to provide a regional perspective and to assure quality at the regional level, so that the work of the country offices is more relevant and harmonized within the regional context, especially since many ICPD issues, such as HIV/AIDS, violence against women in conflicts, and migration, are of a cross-border nature. In addition, regional offices will strengthen South-South cooperation, enhance synergies at the regional level, and provide managerial and technical support to country offices. Through the creation of accountability mechanisms and tools, they will also contribute to monitoring and assessing the performance of country offices in a more efficient manner, for example, by ensuring that country offices respond in a timelier manner to audit and oversight findings and recommendations.

50. Furthermore, regional offices will contribute to strengthening the position of ICPD at the regional level by engaging in strategic partnerships with regional intergovernmental institutions to ensure that the ICPD agenda is an integral part of their strategies to achieve the Millennium Development Goals. Finally, regional offices will participate effectively in United Nations reform and ensure that the ICPD agenda is well reflected in the various inter-agency institutional arrangements at the regional level.

Subregional support offices

51. In selected locations, the functions of the UNFPA country technical services teams or UNFPA country offices will be expanded to establish subregional support offices, which will perform the functions needed to ensure that the specific needs and strategic priorities of subregions are adequately addressed within the context of ICPD and the achievement of the Millennium Development Goals.

52. While the configuration of each office will differ slightly, all subregional support offices, as units of regional offices, will be accountable for the effective use of UNFPA resources to

support a specified cluster of programme countries within their region. They will support country offices in implementing country programmes and play a leadership role in providing technical and programmatic expertise to the country offices in the cluster. They will also engage in strategic partnerships with subregional institutions within their cluster of countries to ensure that the ICPD agenda is an integral part of their strategies to achieve the Millennium Development Goals.

53. The director of the subregional support office will also be the UNFPA representative in the host country, thereby ensuring one UNFPA interface with external stakeholders and ensuring a unified office for UNFPA.

Area offices

54. Area offices provide support to small clusters of neighbouring countries where there is minimal or no UNFPA presence. These offices are predominantly staffed by national programme officers.

55. UNFPA examined the possibility of establishing subregional support offices in Eastern Europe and Central Asia, but neither the nature nor the size of the programmes justified such a structure. To respond to the needs of these regions, UNFPA proposes to strengthen the capacity of the area offices through the addition of international and national technical experts.

Headquarters

56. To ensure that sufficient resources are deployed to support country and regional offices, UNFPA proposes the following changes at headquarters.

57. UNFPA plans to streamline the structure and functions of its Technical Support Division to enable it to better support the role of UNFPA as the leading development and operational agency of the United Nations system in the field of population and development. The new Technical Division would provide state-of-the-art technical support in three core areas: (a) population and development; (b) sexual and reproductive health, including adolescent reproductive health and the prevention of HIV; and (c) the design of human-rights based programming that has a gender 'lens' and that adopts culturally sensitive approaches in implementation.

58. The Technical Division will manage networks of technical institutions at the global level that will provide substantive inputs to UNFPA to keep it in the front line of programmatic development and that will enrich the knowledge of the technical institutions at regional and subregional levels. The Technical Division would also ensure that knowledge emerging from regional and subregional levels would reach the global network of institutions. The Technical Division would develop organizational positions as well as technical and programming standards and tools to promote consistency and operational relevance, based on a continuous feedback of knowledge and lessons learned. It would also continue to provide substantive support to the global advocacy functions that UNFPA performs.

59. UNFPA also plans to establish a regional desk with regional liaison officers reporting to the Deputy Executive Director (Programme) to ensure that senior managers at headquarters are supported with timely and relevant information from the field and that the field perspective is taken into account in the decision processes at headquarters and in discussions within the United Nations system, with Member States and with other external partners. It would further ensure that the regional offices receive timely information on global discussions to guide their work. UNFPA

will put in place the necessary mechanisms to ensure a continuous flow of information between the regional directors and the Executive Director and the two Deputy Executive Directors.

A. Staffing in the regionalized UNFPA

60. Based on the functions to be performed, the current number and level of resources allocated to each function, the experiences and lessons learned of other United Nations agencies, and the advice of external consultants, UNFPA has defined preliminary staffing needs (the number and level of posts) for each of the envisioned divisions and units. Since UNFPA will present its new frameworks for technical support and for global and regional programmes for 2008 and beyond to the Executive Board at its second regular session 2007, the staffing requirements for posts funded from programme resources indicated below should be considered as the minimum needed for regionalization to make a difference; they are also illustrative and subject to change as programmatic and technical frameworks are finalized.

61. An analysis of staffing needs shows that the regionalized UNFPA will require a net additional 61 posts, the bulk of them in the field – 40 charged to the biennial support budget and 21 charged to programme resources – to ensure that the regional and subregional support offices can carry out their functions.

62. Regionalization is a tangible sign of UNFPA commitment to become more results-oriented and field-centred, as its staffing implications indicate. Regionalization would entail a net reduction of 84 posts in headquarters (26 posts would be abolished; 70 would be relocated to the regions; and 12 new posts would be created) and an increase of 145 posts in the regions (70 posts would be moved from headquarters and 75 new posts would be created).

63. Besides demonstrating UNFPA commitment to relocate resources to the field, the increase in the number of posts also reflects the decision to significantly increase the number of national officers (37 posts), to develop and increase the use of local capacity, and to keep costs under control. UNFPA also decided to eliminate 6 L7 posts and 1 L6 post, thereby reducing its top-heaviness.

V. IMPLEMENTATION OF THE REGIONALIZATION MODEL

A. Proposed time line

64. Pending a decision on UNFPA regionalization by the Executive Board at its first regular session 2007, and the provision of necessary funding, the implementation phase of the regionalization project would begin as soon as possible, with the first phase, 2007, being a preparatory one.

65. In order to ensure that all activities are carried out on time, UNFPA has established two task forces: one for facilities and the other for human resources. With representation from all relevant divisions, the task forces have prepared detailed workplans that indicate required activities and the time necessary to complete them. Based on these workplans, UNFPA would negotiate the new arrangements with governments and partner agencies; coordinate the planning and design of new facilities; and, where needed, renovate and/or alter facilities. After the premises are set up, relevant staff would be progressively moved to their new posts and new staff would be hired, based on identified needs and required profiles. The human resources task force has developed a strategy and a set of principles and guidelines, in close consultation with the Staff

Council, to ensure that issues relating to human resources are dealt with in a transparent manner and that decisions are made in the best interests of staff and the organization.

66. The implementation plans, subject to Executive Board approval of the budget implications, call for opening one or two regional offices by the first quarter of 2008 and the others in the months to follow, using a phased approach. UNFPA expects to complete the regionalization by the end of 2008.

67. Crucial to the success of the implementation phase is the preparation of an operations transition management plan that would ensure that daily operations are efficiently carried out during the transition. In addition, the lessons learned during the roll-out of the first regional and subregional support offices would be taken into account in the deployment of subsequent offices and would be used, if necessary, to revise the proposed time line for implementation. At the conclusion of the roll-out effort, UNFPA will conduct an assessment of the results achieved and the lessons learned.

B. Financial implications of regionalization

68. As the staffing requirements presented in section IV, A indicate, UNFPA regionalization will affect not only the biennial support budget but also the amount and distribution of resources for the global and regional programmes and for the technical support programme. As indicated above, UNFPA will provide the full details of these programmes in the documents that will be submitted to the Executive Board at its second regular session 2007. The financial implications of the regionalization presented below, therefore, pertain only to the biennial support budget.

69. UNFPA has conducted a thorough assessment of biennial support budget cost increases and reductions associated with the regionalization plan. The estimates have been broken down in recurrent costs and one-time costs.

70. Recurrent regionalization costs are estimated at $5 million per year, but could actually be lower, depending on possibilities for cost reduction, such as the availability of rent-free premises.

71. The major components of the *increases* in recurrent costs are estimated as follows:

(a) Salary and payroll-related: $3 million is the result of the net addition of 40 posts partially offset by differentials between post adjustments and local staff salary scales at New York headquarters and in the field;

(b) Regional offices: $3.4 million is the cost associated with running and maintaining the operations of the regional and subregional support offices and includes, inter alia, rental of premises ($0.6 million), maintenance of information technology connectivity ($2.1 million), and expenses incurred to ensure that regional structures comply with United Nations security standards ($0.7 million);

(c) Other human-resources-related costs: $0.1 million is the estimated incremental cost due to non-salary staff costs associated with regionalization.

72. The major components of the *reductions* in recurrent costs are estimated as follows:

(a) Release of premises: a reduction of $1.4 million resulting from the release of premises at headquarters due to the relocation of staff to regional offices (-$1.0 million) and from the

release of premises at country offices in circumstances where, to seek efficiency gains, staff will relocate to the premises of regional offices and subregional support offices (-$0.4 million);

(b) Travel expenses: a reduction of $0.04 million in the cost in travel, since the travel of UNFPA staff between country offices and regional offices and subregional support offices is generally less expensive and of shorter duration than travel between country offices and New York headquarters.

73. One-time costs are estimated at $28.3 million. Of this amount, $14 million is required by the end of the first quarter of 2007, in order to begin necessary preparatory work. The major components of one-time costs are as follows:

(a) Set-up of regional offices and subregional support offices: $13.9 million is the cost associated with opening the regional offices and the subregional support offices, including the identification and design of premises, their renovation or alteration, site supervision, removal costs and the procurement of equipment ($7.1 million); establishment of information technology connectivity ($5 million); and compliance with United Nations security standards ($1.8 million);

(b) Human resources related: $14.4 million is the estimated cost of staff termination, relocation and other non-salary staff costs, such as those for consultants and personnel-related activities associated with the implementation of regionalization.

74. If approved, the estimated yearly recurrent cost to the biennial support budget of $5 million would constitute approximately 4.8 per cent of the annual budget, calculated on the basis of the gross biennial support budget appropriations of $209 million for the 2006-2007 biennium, or approximately 1 per cent of the total regular (core) UNFPA resources.

75. In view of the above, the Executive Director, UNFPA, seeks approval of the regionalization initiative and guidance from the Executive Board on how to move the UNFPA regionalization process forward.